



Highlights of GAO-03-185, a report to the Senate Committee on Finance, the House Committee on Energy and Commerce, and the House Committee on Ways and Means

Why GAO Did This Study

Staffing companies that contract with physicians to staff hospital departments—including emergency departments—are not permitted to bill Medicare. In the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, Congress directed GAO to assess the program integrity implications of enrolling these companies and allowing them to bill Medicare. GAO reviewed about 2.8 million emergency department claims for 2000 from five states and assessed whether contractor physicians retained by staffing companies billed Medicare comparably to other emergency department physicians. GAO also evaluated how the lack of information on staffing companies affects efforts to assure Medicare program integrity.

What GAO Recommends

GAO suggests Congress consider permitting the reassignment of benefits to staffing companies that retain contractor physicians and requiring these companies to seek enrollment in Medicare. GAO also recommends that CMS seek such legislative authority. CMS agreed that legislation was needed.

www.gao.gov/cgi-bin/getrpt?GAO-03-185.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Leslie G. Aronovitz (312) 220-7600.

MEDICARE PROVIDER ENROLLMENT

Opportunities to Enhance Program Integrity Efforts

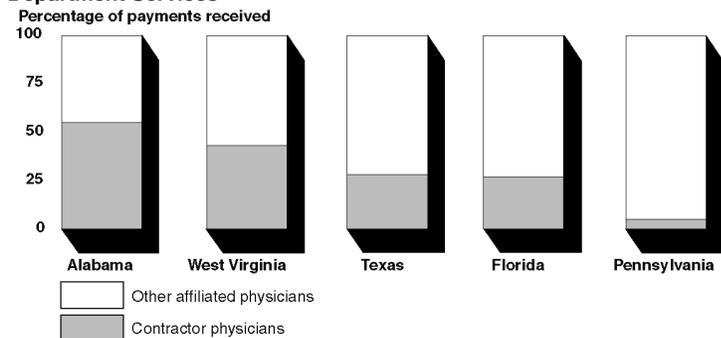
What GAO Found

Contractor physicians associated with staffing companies billed Medicare for complex and costly, higher-level emergency department services at rates similar to emergency department physicians with other affiliations, such as those practicing in partnerships, medical groups, or employee-based staffing companies. In addition, the patients treated by contractor physicians received diagnostic tests, were admitted to the hospital, and used ambulance transport at rates similar to patients treated by other emergency department physicians.

Staffing companies that retain contractor physicians remain largely invisible to the oversight efforts of the Centers for Medicare & Medicaid Services (CMS) because these companies are not enrolled in Medicare. Although CMS has information on the individual physicians, it has no information on the companies themselves. This may hinder oversight because contractor physicians provided a significant share of emergency care to Medicare beneficiaries. For example, in four of the five states studied, 27 to 58 percent of the physicians with substantial emergency department practices were contractor physicians retained by staffing companies.

CMS does not permit the enrollment of staffing companies that retain contractor physicians because, under current law, these companies may not be reassigned Medicare benefits. This limits CMS's ability to monitor claims. CMS cannot identify claims submitted by these companies on behalf of their contractor physicians nor can it subject the claims to the same systematic scrutiny given to enrolled groups. Consequently, it cannot evaluate the billing patterns of specific companies nor assess the aggregate impact of these companies on Medicare program integrity.

Contractor Physicians Receive a Significant Share of Medicare Payments for Emergency Department Services



Source: GAO.

Note: Percentages are based on payments to physicians with substantial emergency department medical practices in 2000. This information is based on GAO's analysis of 2000 Medicare claims data.